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# Somewhere to Turn

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Consumer protection in the financial marketplace



# A Changing Landscape

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Today's financial marketplace offers consumers greater choice than ever before. Whether you're looking for the best deal on car insurance, negotiating a mortgage or a loan, or deciding how to invest your money and save for retirement, there are many more options available to you than there were a decade ago. This trend will continue as insurance companies, credit unions and other financial service providers change the way they do business and sell a growing range of products.

The Financial Services Commission of Ontario, or FSCO, is a key player in this changing financial marketplace – protecting the interests of consumers and pension plan members, ensuring sound business practices, and encouraging a strong, competitive industry. FSCO is the government regulator of insurance companies, pensions, credit unions, caisses populaires, co-operatives, loan and trust companies, insurance agents and adjusters and mortgage brokers that operate in our province.

Whether we are enforcing laws and regulations in the financial services sector, resolving disputes over automobile insurance accident benefits, licensing insurance agents, or registering mortgage brokers, FSCO is *always* on the side of fairness.



# How We Can Help

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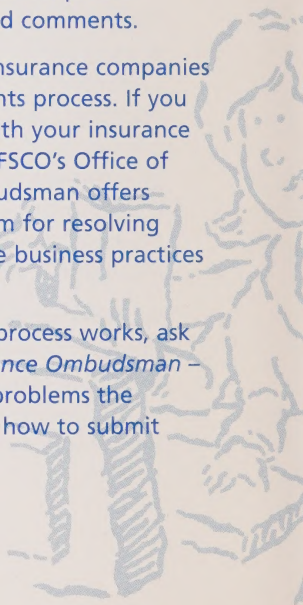
You are the reason we are here — but for us to help, you must first know what we are able to do.

This guide provides an introduction to our activities and the services we offer to protect the interests of consumers. For a full description of any of these, we invite you to visit our website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca).

If there is any way we can be of assistance, please call — we welcome your questions and comments.

**Insurance Ombudsman.** All Ontario insurance companies have established a consumer complaints process. If you are unable to resolve your concern with your insurance company, you may bring the issue to FSCO's Office of the Insurance Ombudsman. The Ombudsman offers consumers an informal, last-step forum for resolving disputes about insurance claims or the business practices of insurance companies.

To learn more about how our review process works, ask for a copy of our brochure, *The Insurance Ombudsman – Working For You*. It lists the types of problems the Ombudsman can review, and explains how to submit your written complaint.





### **Automobile Insurance Driver Profiles and Rates Review.**

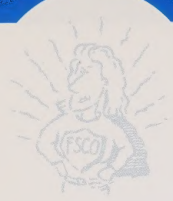
To ensure that the car insurance marketplace is fair and competitive for consumers and insurers alike, FSCO monitors both the premium rates and driver classification systems used by insurance companies in Ontario.

Companies must file any proposed changes to their rates or driver classification systems with FSCO for approval.

We also require them to conduct yearly independent market research of consumer satisfaction with their claims-handling practices, for review by us.

You'll find up-to-date charts comparing the range of premium rates for different driver profiles that are used by insurance companies across Ontario, in our consumer guide, *Shopping for Car Insurance*. To help you compare price as well as service, the guide includes a convenient chart showing the results of our *Claims Satisfaction Survey*. In addition, it is packed with general information and useful tips on choosing the automobile insurance coverage that best meets your needs.

*Shopping for Car Insurance* is available online at **[www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca)** with the rest of our consumer publications. Our website also publishes a list of companies that have changed their premium rates, and the average of the change in rates.



**Designated Assessment Centres (DACs).** Designated Assessment Centres (DACs) are in place across Ontario to provide a neutral, third-party opinion about a claimant's injuries and the accident benefits that apply to those injuries. The DACs are operated by qualified health professionals and are authorized to assess specific types of injuries and impairments, both physical and psychological.

The insurance company must organize, and pay for a DAC assessment in keeping with the law, and the claimant must co-operate. If you are a claimant, you have the legal right to ask your insurance company for a DAC assessment, and the company is required to make arrangements at the appropriate DAC nearest to your home.

The assessor independently reviews the medical information provided by the insurance company and the claimant, conducts a clinical examination, and may order further examinations if this is deemed necessary to evaluate the claimant's condition. Based on this information, the assessor provides an impartial report to both parties in the hope that it will help them resolve their dispute. However, the assessor does not mediate between the claimant and the insurance company. If either party disagrees with the assessor's findings, they can take their dispute, with regards to entitlement to or amount of benefits, to mediation at FSCO.

You will find a list of Designated Assessment Centres on our website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca).

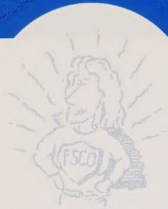
### **Auto Insurance Accident Benefits Dispute Resolution.**

FSCO oversees several services to help insurance companies and consumers settle automobile accident benefit claims fairly and without delay. If you and your insurance company disagree about your entitlement to accident benefits, or the amount of benefits, we offer a series of dispute resolution processes which are a timely and cost-effective alternative to court.

The key functions of FSCO's Dispute Resolution Group are mediation, arbitration, neutral evaluation and appeals.







**Mediation.** If you and your insurance company are involved in a dispute over accident benefits, you are required to mediate your claim at FSCO. In Ontario, mediation is mandatory for disputes over accident benefits. A mediator will help you with discussions to resolve the dispute. Under the law, there is a set time limit for this process. It's important to note that a mediator will not make a decision for you or your insurance company.

At the end of the process, the mediator will issue a written report which outlines the issues which have been settled, any remaining unresolved issues, and the next steps available. After mediation, you can choose from three options if you wish to continue efforts to resolve your dispute: file for arbitration at FSCO, pursue private arbitration, or proceed through the court system. You must go through mediation before you can go to arbitration, which is also known as adjudication.

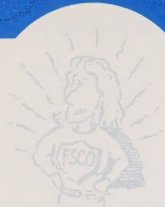




**Arbitration.** The arbitration process is an alternative to court. It can take several forms (including file review, prehearings, settlement discussions and neutral evaluation). If you file for arbitration at FSCO, the first step is to attend an arbitration prehearing. You and your insurance company are given many opportunities to resolve the dispute on your own. As the last resort, the arbitrator reviews the case and hands down a decision. This decision is binding on the insurance company and the claimant.

If you would like more information on the procedures for dispute resolution at the Financial Services Commission, visit our website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca) and view our *Dispute Resolution Practice Code*, or ask for a copy of our consumer guide, *A Real Alternative*.





**Motor Vehicle Accident Claims Fund (MVACF).** The law guarantees that Ontario residents who are victims of automobile accidents may make claims to receive accident benefits, or sue the at-fault driver for compensation for personal injury. Normally, such claims are made against an automobile insurance policy, and any accident benefits or compensation are paid by an automobile insurance company. Car insurance policies provide coverage for injuries or property damage sustained as a driver, passenger, pedestrian, cyclist, or property owner involved in an accident.

If you own a car, you would usually make all claims for accident benefits or property damage with your own insurance company. However, under certain circumstances you could make accident benefits claims against a policy owned by another person involved in the accident. As well, if you are not at-fault for the accident, and are injured, you may be able to sue the at-fault driver.

However, car accidents do happen in which the injured parties have no access to any auto insurance whatsoever. For example, an accident could occur in which all the drivers involved have been driving unlawfully without car insurance, and the passengers and any other victims of the accident do not have their own car insurance. In this case, there is no access to any automobile insurance policy and there is no insurance company to pay the claims. This could also happen if a pedestrian or cyclist who is not protected by personal car insurance is injured in a hit-and-run accident, and the driver responsible cannot be found.

Individuals who are not protected by any automobile insurance policy can apply to receive accident benefits from

the Motor Vehicle Accident Claims Fund at FSCO. As well, a lawsuit may be filed against the uninsured driver and owner of the at-fault vehicle. If the driver's identity is unknown, then the lawsuit will be against the Superintendent of Financial Services.

MVACF provides statutory accident benefits, such as income replacement, medical rehabilitation and long-term attendant care benefits. Compensation for personal injury arising from a lawsuit will also be covered up to \$200,000 per accident, plus some legal costs.

While MVACF protects innocent parties who are injured in car accidents, the people who cause those accidents, and are uninsured, are not off the hook. MVACF takes legal action against at-fault, uninsured drivers to recover the full cost of judgments paid out by the fund.



**Pension Plans.** In Ontario, all employers who establish pension plans must register them with FSCO. (However, pension plans are not mandatory for employers in Ontario or any Canadian jurisdiction.) FSCO regulates pension plans to make sure they comply with the law. FSCO also monitors the administration and financial status of the pension plan to ensure that it delivers the benefits that have been promised to plan contributors. We review plan amendments, pension plan wind-ups, distribution of surpluses (extra money accumulated in the plan, beyond what is needed to pay the promised benefits to plan members), and other transactions to make sure that members' benefits are protected.

Most employee pension plans fall within two main categories: defined-benefit and defined-contribution. A third category, called a multi-employer pension plan, is established to cover the employees of two or more employers, and special rules apply to such plans.

If an employer sponsoring a defined-benefit plan becomes insolvent and the pension plan contains insufficient assets to provide the promised pension benefits, the members of the plan would have a minimum level of protection through Ontario's Pension Benefits Guarantee Fund. The fund guarantees pension benefits of up to \$1,000 a month, subject to certain restrictions. However, the fund does not cover defined-contribution and multi-employer pension plans.

If you don't know what type of pension plan you belong to, talk to your plan administrator. For more information, ask for a copy of our consumer guide, *Your Pension Rights, A Guide for Members of Registered Pension Plans in Ontario*.




**Licensing.** How can you check to make sure that your insurance agent, insurer or mortgage broker is legitimate? Did you know that it's unlawful to sell insurance or many other financial products in Ontario without a licence? Dealing with a licensed professional or company is your best protection against theft, fraud or incompetence. FSCO's website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca) displays up-to-date listings of licensed insurance companies, loan and trust companies, credit unions, caisses populaires, mortgage brokers, insurance agents and adjusters.

However, FSCO does not regulate securities dealers, mutual funds sales people or registered insurance brokers, or banks.

If you have an enquiry about a securities or mutual funds dealer, call the Ontario Securities Commission at (416) 593-8314 or the Investment Dealers Association at (416) 364-6133.

If you have an enquiry about a general insurance broker, call the Registered Insurance Brokers of Ontario (RIBO) at (416) 365-1900, toll-free at 1-800-265-3097, or visit RIBO's website at [www.ribo.com](http://www.ribo.com).

Banks are regulated by the federal government. If you have an enquiry about a bank, call the Office of the Superintendent of Financial Institutions (OSFI) Canada at 1-800-385-8647 or visit OSFI's website at [www.osfi-bsif.gc.ca](http://www.osfi-bsif.gc.ca).



**Regulation and Enforcement.** Under Ontario law, FSCO has responsibilities under 12 statutes that govern specific financial services operating in the province: insurance, pensions, credit unions, caisses populaires, co-operatives, loan and trust companies and mortgage brokers.

We enforce these statutes to ensure a trustworthy, fair and competitive marketplace for consumers and companies alike. When it appears that a company or an individual has violated the law, we investigate and, if necessary, take action. FSCO's Chief Executive Officer and Superintendent of Financial Services makes regulatory decisions and issues orders to offenders to change their business practices. The Superintendent may also file charges against the offender in court.

**Financial Services Tribunal.** The Superintendent's regulatory decisions and orders may be appealed to, or reviewed on request by, an independent tribunal, the Financial Services Tribunal. When an appeal is made or a review requested, the Chair of the Financial Services Tribunal convenes a panel to conduct the proceedings, which are governed by the Tribunal's Rules of Practice and Procedure. To ensure that a panel can be organized and to commence a hearing promptly, panel members are drawn from the tribunal membership of independent financial service professionals and practitioners.

# For More

## Information

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Do you have a question about the financial services industry in Ontario? The answer may be just a telephone call away. Our 24-hour automated telephone information service provides prerecorded messages on dozens of topics. Please call the service at (416) 250-7250 or toll-free at 1-800-668-0128. Our TTY line (for the hearing impaired) is (416) 590-7108 or toll-free at 1-800-387-0584.

### FSCO's Consumer Publications

We publish a series of consumer guides and brochures:

- ✓ *Shopping for Car Insurance*
- ✓ *The Insurance Ombudsman – Working for You*
- ✓ *Shopping for Travel Health Insurance*
- ✓ *Your Pension Rights, A Guide for Members of Registered Plans in Ontario*
- ✓ *A Real Alternative.*

To request a copy of any of these publications, call our automated telephone information service or visit our website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca). You will find our consumer publications, resources and in-depth information about our activities.

It's an ever-changing financial services landscape. Our job is to make it work for you.

Financial Services  
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**TTY (416) 590-7108, 1-800-387-0584**

**[www.fsco.gov.on.ca](http://www.fsco.gov.on.ca)**

*Ce feuillet de renseignement est également disponible en français*